

106TH CONGRESS
2D SESSION

H. R. 4463

To amend the Internal Revenue Code of 1986 to allow the empowerment zone employment credit for additional empowerment zones and enterprise communities and to increase funding for such zones and communities.

IN THE HOUSE OF REPRESENTATIVES

MAY 16, 2000

Mrs. BONO (for herself, Mr. LOBIONDO, Mr. TALENT, Mr. WATKINS, Mr. FOLEY, Mr. SISISKY, Mr. DUNCAN, and Ms. GRANGER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow the empowerment zone employment credit for additional empowerment zones and enterprise communities and to increase funding for such zones and communities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Empowerment Zones
5 Enhancement Act of 2000”.

1 **SEC. 2. EMPOWERMENT ZONE EMPLOYMENT CREDIT AL-**
2 **LOWED FOR ADDITIONAL EMPOWERMENT**
3 **ZONES AND ENTERPRISE COMMUNITIES.**

4 (a) IN GENERAL.—Section 1396 of the Internal Rev-
5 enue Code of 1986 (relating to empowerment zone employ-
6 ment credit) is amended by striking subsection (e).

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to taxable years beginning after
9 the date of the enactment of this Act.

10 **SEC. 3. FUNDING FOR ADDITIONAL EMPOWERMENT ZONES**
11 **AND ENTERPRISE COMMUNITIES.**

12 (a) ENTITLEMENT.—Section 2007(a)(1) of the Social
13 Security Act (42 U.S.C. 1397f(a)(1)) is amended—

14 (1) in subparagraph (A), by striking “in the
15 State; and” and inserting “that is in the State and
16 is designated pursuant to section 1391(b) of the In-
17 ternal Revenue Code of 1986;”;

18 (2) by adding after subparagraph (B) the fol-
19 lowing:

20 “(C)(i) 8 grants under this section for
21 each qualified empowerment zone that is in an
22 urban area in the State and is designated pur-
23 suant to section 1391(g) of such Code; and

24 “(ii) 8 grants under this section for each
25 qualified empowerment zone that is in a rural

1 area in the State and is designated pursuant to
 2 section 1391(g) of such Code; and

3 “(D) 8 grants under this section for each
 4 qualified enterprise community that is in the
 5 State and is designated pursuant to section 766
 6 of the Agriculture, Rural Development, Food
 7 and Drug Administration, and Related Agencies
 8 Appropriations Act, 1999.

9 “(E) 1 grant under this section for each
 10 strategic planning community.”.

11 (b) AMOUNT OF GRANTS.—Section 2007(a)(2) of
 12 such Act (42 U.S.C. 1397f(a)(2)) is amended—

13 (1) in the heading of subparagraph (A), by in-
 14 serting “ORIGINAL” before “EMPOWERMENT”;

15 (2) in subparagraph (A), in the matter pre-
 16 ceding clause (i), by inserting “referred to in para-
 17 graph (1)(A)” after “empowerment zone”;

18 (3) by redesignating subparagraph (C) as sub-
 19 paragraph (F); and

20 (4) by inserting after subparagraph (B) the fol-
 21 lowing:

22 “(C) ADDITIONAL EMPOWERMENT
 23 GRANTS.—The amount of the grant to a State
 24 under this section for a qualified empowerment
 25 zone referred to in paragraph (1)(C) shall be—

1 “(i) if the zone is in an urban area,
 2 \$11,675,000 for each of fiscal years 2001
 3 through 2008; or

4 “(ii) if the zone is in a rural area,
 5 \$4,600,000 for each of fiscal years 2001
 6 through 2008,

7 multiplied by the proportion of the population
 8 of the zone that resides in the State.

9 “(D) ADDITIONAL ENTERPRISE COMMU-
 10 NITY GRANTS.—The amount of the grant to a
 11 State under this section for a qualified enter-
 12 prise community referred to in paragraph
 13 (1)(D) shall be \$2,750,000, multiplied by the
 14 proportion of the population of the community
 15 that resides in the State.

16 “(E) STRATEGIC PLANNING COMMUNITY
 17 GRANTS.—The amount of the grant to a State
 18 under this section for a strategic planning com-
 19 munity shall be \$3,000,000, multiplied by the
 20 proportion of the population of the community
 21 that resides in the State.”.

22 (c) TIMING OF GRANTS.—Section 2007(a)(3) of such
 23 Act (42 U.S.C. 1397f(a)(3)) is amended—

24 (1) in the heading of subparagraph (A), by in-
 25 serting “ORIGINAL” before “QUALIFIED”;

1 (2) in subparagraph (A), in the matter pre-
2 ceding clause (i), by inserting “referred to in para-
3 graph (1)(A)” after “empowerment zone”; and

4 (3) by adding after subparagraph (B) the fol-
5 lowing:

6 “(C) ADDITIONAL QUALIFIED EMPOWER-
7 MENT ZONES.—With respect to each qualified
8 empowerment zone referred to in paragraph
9 (1)(C), the Secretary shall make 1 grant under
10 this section to the State in which the zone lies,
11 on the first day of fiscal year 2001 and of each
12 of the 7 succeeding fiscal years.

13 “(D) ADDITIONAL QUALIFIED ENTERPRISE
14 COMMUNITIES.—With respect to each qualified
15 enterprise community referred to in paragraph
16 (1)(D), the Secretary shall make 1 grant under
17 this section to the State in which the commu-
18 nity is located, on the first day of fiscal year
19 2001 and of each of the 7 succeeding fiscal
20 years.

21 “(E) STRATEGIC PLANNING COMMU-
22 NITIES.—With respect to each strategic plan-
23 ning community, the Secretary shall make 1
24 grant under this section to the State in which

1 the community is located, on the first day of
2 fiscal year 2001.”.

3 (d) FUNDING.—Section 2007(a)(4) of such Act (42
4 U.S.C. 1397f(a)(4)) is amended—

5 (1) by striking “(4) FUNDING.—\$1,000,000”
6 and inserting the following:

7 “(4) FUNDING.—

8 “(A) ORIGINAL GRANTS.—\$1,000,000”;

9 (2) by inserting “for empowerment zones and
10 enterprise communities described in subparagraphs
11 (A) and (B) of paragraph (1)” before the period;
12 and

13 (3) by adding after and below the end the fol-
14 lowing:

15 “(B) ADDITIONAL EMPOWERMENT ZONE
16 GRANTS.—\$1,585,000,000 shall be made avail-
17 able to the Secretary for grants under this sec-
18 tion for empowerment zones referred to in para-
19 graph (1)(C).

20 “(C) ADDITIONAL ENTERPRISE COMMU-
21 NITY GRANTS.—\$55,000,000 shall be made
22 available to the Secretary for grants under this
23 section for enterprise communities referred to
24 in paragraph (1)(D).

1 “(D) STRATEGIC PLANNING COMMUNITY
2 GRANTS.—\$45,000,000 shall be made available
3 to the Secretary for grants under this section
4 for strategic planning communities.”.

5 (e) DIRECT FUNDING FOR INDIAN TRIBES.—Section
6 2007(a) of such Act (42 U.S.C. 1397f(a)) is amended by
7 adding at the end the following:

8 “(5) DIRECT FUNDING FOR INDIAN TRIBES.—

9 “(A) IN GENERAL.—The Secretary may
10 make a grant under this section directly to the
11 governing body of an Indian tribe if—

12 “(i) the tribe is identified in the stra-
13 tegic plan of a qualified empowerment zone
14 or qualified enterprise community as the
15 entity that assumes sole or primary re-
16 sponsibility for carrying out activities and
17 projects under the grant; and

18 “(ii) the grant is to be used for activi-
19 ties and projects that are—

20 “(I) included in the strategic
21 plan of the qualified empowerment
22 zone or qualified enterprise commu-
23 nity, consistent with this section; and

24 “(II) approved by the Secretary
25 of Agriculture, in the case of a quali-

1 fied empowerment zone or qualified
 2 enterprise community in a rural area,
 3 or the Secretary of Housing and
 4 Urban Development, in the case of a
 5 qualified empowerment zone or quali-
 6 fied enterprise community in an urban
 7 area.

8 “(B) RULES OF INTERPRETATION.—

9 “(i) If grant under this section is
 10 made directly to the governing body of an
 11 Indian tribe under subparagraph (A), the
 12 tribe shall be considered a State for pur-
 13 poses of this section.

14 “(ii) This subparagraph shall not be
 15 construed as making applicable to this sec-
 16 tion the provisions of the Indian Self-De-
 17 termination and Education Assistance
 18 Act.”.

19 (f) DEFINITIONS.—

20 (1) QUALIFIED ENTERPRISE COMMUNITY.—Sec-
 21 tion 2007(f)(2)(A) of such Act (42 U.S.C.
 22 1397f(f)(2)(A)) is amended by inserting “or under
 23 section 766 of the Agriculture, Rural Development,
 24 Food and Drug Administration, and Related Agen-
 25 cies Appropriations Act, 1999” before the semicolon.

1 (2) STRATEGIC PLAN.—Section 2007(f)(3) of
2 such Act (42 U.S.C. 1397f(f)(3)) is amended by in-
3 serting “or under section 766 of the Agriculture,
4 Rural Development, Food and Drug Administration,
5 and Related Agencies Appropriations Act, 1999” be-
6 fore the period.

7 (3) STRATEGIC PLANNING COMMUNITY.—Sec-
8 tion 2007(f) of such Act (42 U.S.C. 1397f(f)) is
9 amended by adding at the end the following:

10 “(8) STRATEGIC PLANNING COMMUNITY.—The
11 term ‘strategic planning community’ means a re-
12 spondent to the Notice Inviting Applications at 63
13 Federal Register 19162 (April 16, 1998) whose ap-
14 plication was ranked 16th through 30th in the com-
15 petition that concluded Decembr 1998.”.

16 (4) INDIAN TRIBE.—Section 2007(f) of such
17 Act (42 U.S.C. 1397f(f)) is further amended by add-
18 ing at the end the following:

19 “(9) INDIAN TRIBE.—The term ‘Indian tribe’
20 means any Indian tribe, band, nation, or other orga-
21 nized group or community, including any Alaska Na-
22 tive village or regional or village corporation as de-
23 fined in or established pursuant to the Alaska Na-
24 tive Claims Settlement Act, which is recognized as
25 eligible for the special programs and services pro-

1 vided by the United States to Indians because of
2 their status as Indians.”.

3 **SEC. 4. USE OF GRANT FUNDS.**

4 (a) REVOLVING LOAN ACTIVITIES.—Section 2007(b)
5 of the Social Security Act (42 U.S.C. 1397f(b)) is amend-
6 ed by adding at the end the following:

7 “(5) REVOLVING LOAN ACTIVITIES.—

8 “(A) IN GENERAL.—In order to assist dis-
9 advantaged adults and youths in achieving and
10 maintaining economic self-support, a State may
11 use amounts paid under this section to fund re-
12 volving loan funds or similar arrangements for
13 the purpose of making loans to residents, insti-
14 tutions, organizations, or businesses that hire
15 disadvantaged adults and youths.

16 “(B) RULES FOR DISBURSEMENT.—
17 Amounts to be used as described in subpara-
18 graph (A) shall be disbursed by the Secretary,
19 consistent with the provisions of the Cash Man-
20 agement Improvement Act and its implementing
21 rules, regulations, and procedures issued by the
22 Secretary of the Treasury—

23 “(i) in the case of a grant to a revolv-
24 ing loan fund—

1 “(I) pursuant to a written irrev-
2 ovable grant commitment; and

3 “(II) at such time or times as the
4 Secretary determines that the funds
5 are needed to meet the purposes of
6 such commitment; or

7 “(ii) in the case of a grant for pur-
8 poses of capitalizing an insured depository
9 institution (as defined in section 3 of the
10 Federal Deposit Insurance Act (12 U.S.C.
11 1813)) or an insured credit union (as de-
12 fined in section 101 of the Federal Credit
13 Union Act (12 U.S.C. 1742)), at such time
14 or times as the Secretary determines that
15 funds are needed for such capitalization.”.

16 (b) USE AS NON-FEDERAL SHARE.—Section 2007(b)
17 of such Act (42 U.S.C. 1397f(b)), as amended by sub-
18 section (a) of this section, is amended by adding at the
19 end the following:

20 “(6) A State may use amounts received from a
21 grant under this section to pay all or part of the
22 non-Federal share of expenditures under any other
23 Federal grant to a local public or nonprofit private
24 agency or organization for activities consistent with
25 the purposes of this section, unless the statutory au-

1 thority for such other grant expressly prohibits
2 counting of Federal grant funds as such non-Federal
3 share.”.

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